



Irish Life Weekly Investment Bulletin

The week that was – WEEK 47 (ending 18/11/2016)

“Expect problems and eat them for breakfast.” – Alfred A. Montapert

Irish residential property prices up 7.3% y-o-y in September – According to latest figures from the Central Statistics Office, residential property prices rose by 7.3% in the year to September, compared to an increase of 4.2% in the 12 months to September 2015. Prices were 5.4% higher in Dublin and 11% outside the capital.

Irish exports fall in September – CSO figures released during the week show that seasonally-adjusted exports fell to €9.87bn in September from €10.32bn in August but still higher than the €8.98bn of exports in September 2015. Views are mixed on whether the fall may reflect the plunge in sterling since the Brexit vote.

Fed Chief says U.S. rate rise coming soon – Markets have priced in a 0.25% rise in the federal funds rate target at the next Federal Open Market Committee (FOMC) meeting in December as Federal Reserve Board chair Janet Yellen said the economy is making very good progress and interest rates could rise relatively soon.

Global stock market up 0.8% on the week – The MSCI AC World had a 0.85% return from 11th November to 18th November as markets continued to react positively to the prospect of U.S. fiscal stimulus and good news on U.S. consumer prices, housing and employment data as well as a jump in October U.K. retail sales.

U.S. consumer prices post largest yearly increase in 2 years – The Labor Department reported that its Consumer Price Index increased 0.4% in October and year-on-year advanced 1.6%, the highest yearly increase since October 2014. The main price contributors were rising gasoline costs and renting expenses.

U.K. retail sales surge to 14-year high in October – Consumers in the U.K. remain defiant despite Brexit uncertainty and inflation fears as the Office for National Statistics reported that retail sales volumes were up 7.4% on a year earlier, the highest annual rate since 2002. The expected rate was 5.3% per Reuters poll.

The Story of the week: That dream of couch potato pizza lovers has become a reality. Back in August, Dominos announced that it had begun trials for a program to deliver pizzas using drones. On Thursday, the company executed its first order in partnership with drone company Flirtey, as Emma and Johnny Norman in Auckland, New Zealand were able to tuck into a Peri Peri Chicken and a Chicken / Cranberry pizza. The drones are equipped with a winch to safely lower their cargo into customer properties. While Dominos say they are keen to expand drone deliveries to other markets, it may be difficult given the restrictions on flying unmanned commercial aircraft in various countries.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 18/11)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-6.0
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	12.8
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-4.9
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	8.9
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	6.3
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-5.6
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	5.4
MSCI AC World	-8.5	13.2	22.9	7.2	-0.7	3.2
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
U.S.	1.9	1.7	3.0	2.2	2.2	2.3
German	1.8	1.4	1.9	0.5	0.6	0.3
UK	2.0	1.9	3.0	1.9	1.9	1.4
Japan	1.0	0.7	0.7	0.3	0.2	0.0
Ireland	8.4	4.5	3.4	1.3	1.1	1.0
Italy	7.1	4.6	4.1	2.1	1.6	2.1
Greece	31.7	12.7	8.2	9.6	7.9	6.9
Portugal	13.4	6.9	6.1	2.7	2.5	3.7
Spain	5.1	5.4	4.1	1.6	1.7	1.6
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.06
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.86
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.24
IPD All Property Return (%)	2011	2012	2013	2014	2015	2016
Ireland	-2.4	3.1	12.7	40.1	25.0	8.5 (to end of Q3)
U.K.	8.1	2.7	10.7	17.8	13.1	1.3 (to end of Q3)
U.S.	14.5	5.3	11.4	11.2	12.1	5.9 (to end of Q3)

*Past performance is not a reliable guide to future performance